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Tuesday, 22 September 2009

### **Inquiry into the Government's economic stimulus initiatives**

The Government's economic stimulus could have directed available resources and uncapped federal funding, allocated for Bass Strait transport equalisation, to link the state of Victoria and Tasmania with fair and competitive surface transport link, using ferries.

This link could have taken place virtually overnight positively impacting significantly on investment, population and jobs.

There is enough existing ferry and shipping capacity to equalise the cost of travel to cover people, vehicles and freight. This approach would have acted as an economic stimulus to two states by offering these two states a basic surface transport link that would be the equivalent of continuing the Hume Highway through Melbourne to Tasmania.

Instead AusLink, said to be the nation's integrated transport system, is not integrated and omits this vital interstate inter-capital link. Existing Bass Strait equalisation schemes offer far from comprehensive equalisation.

An effective Bass Strait link would cost almost nothing compared with all other links and can apply existing federal funding in a better way.

Australia advocates fair competition policy and free and fair trade internationally, why not within its own nation?

There is no justification for denying this equitable link. This link can withstand the most economically dry policy and the nation's WTO obligations. When implemented in part, it already has delivered provable results.

Given the nature of the business and public mandate for this type of link, I would expect the economic impact to be great and immediate as there is no need to construct a road or rail link.

If an integrated national transport grid is justified between all other states, it is also justified over a link that will require far less federal funding than any other interstate land-based inter-capital links.

Largely undirected use of substantial federal Bass Strait funding should stop. What is sold to the nation as "equalisation" should not be turned by Canberra into subsidies having a limited or a reduced national impact. This internal modification process, if too transparent, erodes public faith in the perceived merits of democracy.

To not complete this link will make no economic sense and give the very clearest message to the world that Australia does not practice internally what it preaches externally and that it is prepared to discriminate against its poorest state and Victorians.

Peter Brohier

Chairman of the former National Sea Highway Committee